UTILITY PATENT APPLICATION TRANSMITTAL
(Small Entity)
(Only for new nonprovisional applications under 37 CFR 1.53(b))

Docket No.
P-22425-B USA

Total Pages in this Submission

TO THE ASSISTANT COMMISSIONER FOR PATENTS
Box Patent Application
Washington, D.C. 20231

Transmitted herewith for filing under 35 U.S.C. 111(a) and 37 C.F.R. 1.53(b) is a new utility patent application for an invention entitled:

THIRD PARTY CREDIT ACCOUNT

and invented by:

Michael J. Picciallo

If a CONTINUATION APPLICATION, *check appropriate box and supply the requisite information:*

☐ Continuation ☒ Divisional ☐ Continuation-in-part (CIP) of prior application No.: 08/875,929

Which is a:

☐ Continuation ☐ Divisional ☒ Continuation-in-part (CIP) of prior application No.: 08/575,173

Which is a:

☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No.:

Enclosed are:

Application Elements

1. ☒ Filing fee as calculated and transmitted as described below

2. ☒ Specification having _____ 31 _____ pages and including the following:

    a. ☒ Descriptive Title of the Invention

    b. ☒ Cross References to Related Applications *(if applicable)*

    c. ☐ Statement Regarding Federally-sponsored Research/Development *(if applicable)*

    d. ☐ Reference to Microfiche Appendix *(if applicable)*

    e. ☒ Background of the Invention

    f. ☒ Brief Summary of the Invention

    g. ☒ Brief Description of the Drawings *(if drawings filed)*

    h. ☒ Detailed Description

    i. ☒ Claim(s) as Classified Below

    j. ☒ Abstract of the Disclosure

P01USML/REV03

Application Elements (Continued)

3. ☒ Drawing(s) *(when necessary as prescribed by 35 USC 113)*

    a. ☒ Formal   b. ☐ Informal   Number of Sheets   2

4. ☒ Oath or Declaration

    a. ☒ Newly executed *(original or copy)*   ☐ Unexecuted

    b. ☐ Copy from a prior application (37 CFR 1.63(d)) *(for continuation/divisional application only)*

    c. ☒ With Power of Attorney   ☐ Without Power of Attorney

    d. ☐ *DELETION OF INVENTOR(S)*
       Signed statement attached deleting inventor(s) named in the prior application,
       see 37 C.F.R. 1.63(d)(2) and 1.33(b).

5. ☒ Incorporation By Reference *(usable if Box 4b is checked)*
   The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied under Box 4b, is considered as being part of the disclosure of the accompanying application and is hereby incorporated by reference therein.

6. ☐ Computer Program in Microfiche

7. ☐ Genetic Sequence Submission *(if applicable, all must be included)*

    a. ☐ Paper Copy

    b. ☐ Computer Readable Copy

    c. ☐ Statement Verifying Identical Paper and Computer Readable Copy

Accompanying Application Parts

8. ☐ Assignment Papers *(cover sheet & documents)*

9. ☐ 37 CFR 3.73(b) Statement *(when there is an assignee)*

10. ☐ English Translation Document *(if applicable)*

11. ☒ Information Disclosure Statement/PTO-1449   ☐ Copies of IDS Citations

12. ☒ Preliminary Amendment

13. ☒ Acknowledgment postcard

14. ☒ Certificate of Mailing

    ☐ First Class   ☒ Express Mail *(Specify Label No.):*   EL406409085US

	Docket No.
# UTILITY PATENT APPLICATION TRANSMITTAL ## (Small Entity) *(Only for new nonprovisional applications under 37 CFR 1.53(b))*	P-22425-B USA
	Total Pages in this Submission

Accompanying Application Parts (Continued)

15. ☐ Certified Copy of Priority Document(s) *(if foreign priority is claimed)*

16. ☒ Small Entity Statement(s) - Specify Number of Statements Submitted: _____1_____

17. ☒ Additional Enclosures *(please identify below):*

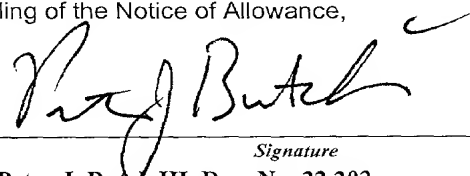PETITION TO MAKE SPECIAL BECAUSE OF ACTUAL INFRINGEMENT

Fee Calculation and Transmittal

CLAIMS AS FILED

For	#Filed	#Allowed	#Extra	Rate		Fee
Total Claims	42	- 20 =	22	x	$9.00	$198.00
Indep. Claims	4	- 3 =	1	x	$39.00	$39.00
Multiple Dependent Claims (check if applicable) ☐						$0.00
					BASIC FEE	$345.00
OTHER FEE *(specify purpose)*		PETITION TO MAKE SPECIAL				$130.00
					TOTAL FILING FEE	$712.00

☒ A check in the amount of $747.00   to cover the filing fee is enclosed.

☒ The Commissioner is hereby authorized to charge and credit Deposit Account No.   19-5425
as described below. A duplicate copy of this sheet is enclosed.

   ☐ Charge the amount of   as filing fee.

   ☒ Credit any overpayment.

   ☒ Charge any additional filing fees required under 37 C.F.R. 1.16 and 1.17.

   ☐ Charge the issue fee set in 37 C.F.R. 1.18 at the mailing of the Notice of Allowance,
   pursuant to 37 C.F.R. 1.311(b).

Dated: **January 5, 2000**

Signature

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CC:

P01USML/REV03

VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY STATUS (37 CFR 1.9(f) AND 1.27 (b)) - INDEPENDENT INVENTOR	Docket No. P22425B USA

Serial No.	Filing Date	Patent No.	Issue Date
not assigned	herewith	not assigned	not assigned

Applicant/ Patentee: **Michael J. Picciallo**

Invention: **THIRD PARTY DEBIT CARD**

As a below named inventor, I hereby declare that I qualify as an independent inventor as defined in 37 CFR 1.9(c) for purposes of paying reduced fees under section 41(a) and (b) of Title 35, United States Code, to the Patent and Trademark Office with regard to the invention entitled above and described in:

☒ the specification to be filed herewith.

☐ the application identified above.

☐ the patent identified above.

I have not assigned, granted, conveyed or licensed and am under no obligation under contract or law to assign, grant, convey or license, any rights in the invention to any person who could not be classified as an independent inventor under 37 CFR 1.9(c) if that person had made the invention, or to any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e).

Each person, concern or organization to which I have assigned, granted, conveyed, or licensed or am under an obligation under contract or law to assign, grant, convey, or license any rights in the invention is listed below:

☒ No such person, concern or organization exists.

☐ Each such person, concern or organization is listed below.

*NOTE: Separate verified statements are required from each named person, concern or organization having rights to the invention averring to their status as small entities (37 CFR 1.27)

FULL NAME _____

ADDRESS _____

☐ Individual   ☐ Small Business Concern   ☐ Nonprofit Organization

FULL NAME _____

ADDRESS _____

☐ Individual   ☐ Small Business Concern   ☐ Nonprofit Organization

FULL NAME _____

ADDRESS _____

☐ Individual   ☐ Small Business Concern   ☐ Nonprofit Organization

FULL NAME _____

ADDRESS _____

☐ Individual   ☐ Small Business Concern   ☐ Nonprofit Organization

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR 1.28(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

NAME OF INVENTOR   Michael J. Picciallo

SIGNATURE OF INVENTOR   _Michael J. Picciallo_   DATE: _12/20/99_

NAME OF INVENTOR _____

SIGNATURE OF INVENTOR _____ DATE: _____

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NAME OF INVENTOR _____

SIGNATURE OF INVENTOR _____ DATE: _____

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: patent application of
  Michael J. Picciallo

      : Group Art Unit: **2876**

This is a Divisional Application of prior Appl.
Serial No. 08/875,929 filed on June 16, 1997, which,
in turn, is a Continuation-In-Part of prior Appl. Serial
No. 08/575,173, filed April 16, 1996 (now abandoned)

      : Examiner: **H. Pitts**

Filed: **herewith**

      : Date: **January 5, 2000**

For: . **THIRD PARTY CREDIT ACCOUNT**

                                         X
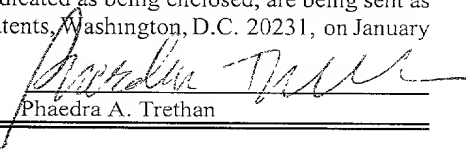
Assistant Commissioner for Patents
Box Patent Application
Washington, D.C. 20231

PRELIMINARY AMENDMENT

Prior to examination of the above-identified patent application, please enter the following amendments and remarks of record.

IN THE SPECIFICATION

At page 1, please amend the title to read:

- - THIRD PARTY CREDIT ACCOUNT - -

At page 1, please amend the CROSS-REFERENCE TO RELATED APPLICATION to read:

- - CROSS-REFERENCE TO RELATED APPLICATIONS

This application is a Divisional of U.S. Patent Application Serial No. 08/876,929 filed June 16, 1997, which, in turn, is a Continuation-In-Part of U.S. Patent Application Serial No. 08/585,173 filed April 16, 1996. The disclosures of both applications are incorporated herein by reference. - -

IN THE CLAIMS

Please cancel claims 1-28, without prejudice.

Please add the following claims:

- - 29. A system for transferring funds to third party recipients, comprising:
a controller processor programmed:
(a)   to process data;
(b)   to create for each third party recipient a customer account file;
(c)   to transfer funds from customer account files to transferees selected by said third party recipients, in response to command instructions; and
(d)   to automatically provide to fund depositors periodic information on fund transfers from customer account files;

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a data storage device associated with said controller processor in which file records of said customer account files created by said controller processor are stored, including information on the amounts of funds deposited for said third party recipient by fund depositors, and information on customer account file transferees and corresponding payment amounts; and

an output device for periodically supplying to fund depositors said information on customer account transferees and corresponding payment amounts.

30. The system of claim 29, wherein said fund transfer command instructions include a command instruction for a cash withdrawal payment to be electronically transferred to said third party recipient.

31. The system of claim 30, wherein the input device for said cash withdrawal payment command instruction is an ATM machine to which said cash withdrawal payment is electronically transferred and issued.

32. The system of claim 29, wherein said fund transferee selected by said third party recipient is a merchant or service provider providing goods or services to said third party recipient, and said command instructions include a command instruction for an electronic funds transfer to said fund transferee to pay for said goods or services.

33. The system of claim 32, wherein the input device for said third party command instruction is a point-of-sale transaction device.

34. The system of claim 29, wherein said controller processor is programmed to process and store information in said storage device for each customer account, in response to command instructions from fund depositors, designating the classes of goods and services on which the deposited funds may be spent; and to process fund transfer command instructions issued by said third party recipients by determining whether the classes of goods or services for which the fund transfer has been requested have been designated by said fund depositors.

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35.   The system of claim 34, wherein said controller processor is programmed to process and store information in said storage device for each customer account, in response to command instructions from fund depositors, limiting the amount of funds that may be spent on particular classes of goods and services; and to process fund transfer command instructions issued by said third party recipients by determining whether the requested funds exceed the limit set for said goods or services to be purchased.

36.   The system of claim 35, wherein said fund transferee that may be limited includes said third party recipient.

37.   The system of claim 35, wherein said limit is a periodic limit.

38.   The system of claim 29, further comprising a magnetic card encoded with an identifier correlated to said customer account.

39.   The system of claim 29, wherein said customer account is a bank or credit account established in advance in the name of said customer by said fund depositor.

40.   The system of claim 34, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

41.   The system of claim 29, wherein said controller processor is programmed to process command instructions from said depositor transferring funds to said customer account periodically.

42.   The system of claim 29, wherein said customer account file comprises a primary deposit file into which the amount of funds deposited is recorded, and a secondary deposit file into which at least a portion of the deposited funds may be allocated by said controller processor for use by said third party recipient in response to command instructions

issued by said depositor, and said funds transferred from said customer account file to transferees in response to command instructions from said third party recipients are transferred from said secondary deposit file.

43.   A system for transferring funds to third party recipients comprising:

a controller processor programmed:

(a)   to process data:

(b)   to create for each third party recipient a customer account file;

(c)   to transfer funds from customer account files to transferees selected by said third party recipients, in response to command instructions; and

(d)   to process command instructions from depositors to transfer funds periodically to customer account files;

an input device for supplying command instructions to said controller processor; and

a data storage device associated with said controller processor in which file records of customer account files created by said controller processor are stored, including information on the amounts of funds deposited periodically for said third party recipients by fund depositors.

44.   The system of claim 43, wherein said controller processor is programmed to process command instructions from depositors transferring funds to customer account files weekly or monthly.

45.   The system of claim 43, wherein said customer account file records in said data storage device includes information on customer account file transferees and corresponding payment amounts; said controller processor is programmed to provide automatically to fund depositors said information on fund transfers from customer account files; and said system further comprises an output device for supplying to said depositors said transfer information.

46.   The system of claim 43, wherein said controller processor is programmed to process and store information in said storage device for each customer account, in response to command instructions from fund depositors, designating the classes of goods and services on which the deposited funds may be spent; and to process fund transfer command instructions issued by said third party recipients by determining whether the classes of goods or services for which the fund transfer has been requested have been designated by said fund depositors.

47.   The system of claim 46, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

48.   The system of claim 46, wherein said controller processor is programmed to process and store information in said storage device for each customer account, in response to command instructions from fund depositors, limiting the amount of funds that may be spent on particular classes of goods and services; and to process fund transfer command instructions issued by said third party recipients by determining whether the requested funds exceed the limit set for said goods or services to be purchased.

49.   The system of claim 48, wherein said limit is a periodic limit.

50.   The system of claim 48, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

51.   The system of claim 43, wherein said customer account file comprises a primary deposit file into which the amount of funds deposited is recorded, and a secondary deposit file into which at least a portion of the deposited funds may be allocated by said controller processor for use by said third party recipient in response to command instructions issued by said depositor, and said funds transferred from said customer account file to transferees in response to command instructions from said third party recipients are transferred from said secondary deposit file.

52.   A computer-based method for transferring funds for use by third parties comprising:

creating for each third party a customer account file containing a record of funds deposited by a depositor for use by each third party;

storing a file record of information in a customer account file on every fund transfer executed by a third party therefrom, including information on the transferee and the corresponding payment amount; and

providing automatically to the customer account file depositor a periodic itemized statement generated from said file record of information on fund transfers executed by said third party.

53.   The method of claim 52, further including the steps of:

limiting the classes of goods and services on which funds in a customer account file may be spent in response to command instructions from the fund depositor; and

verifying each transfer from said customer account file requested by said third party to determine whether the goods or services to be purchased have been authorized.

54.   The method of claim 53, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

55.   The method of claim 52, further comprising the steps of:

limiting the amount of funds in a customer account file that may be spent on particular classes of goods and services in response to command instructions from the fund depositor; and

verifying each transfer from said customer account file requested by said third party to determine whether the requested funds exceed the limit set for the transferee or for the goods or services to be purchased.

56.   The method of claim 55, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

57. The method of claim 55, wherein said limit is a periodic limit.

58. The method of claim 52, wherein said funds are deposited periodically.

59. The method of claim 52, wherein said step of creating a customer account file comprises the steps of:

creating a primary deposit file containing a record of funds deposited by said depositor for allocation to at least one third party;

creating a secondary deposit file accessible by a third party; and

transferring to said secondary deposit file in response to command instructions from said depositor at least a portion of the funds deposited in said primary deposit file, representing deposited funds of ruse by said third party.

60. A computer-based method for transferring funds to third parties comprising:

creating for each third party a customer account file containing a record of funds deposited by a depositor for use by each third party; and

periodically depositing funds into a customer account file in response to command instructions from said fund depositor.

61. The method of claim 60, wherein said funds are deposited weekly or monthly.

62. The method of claim 60, wherein said funds are deposited automatically.

63. The method of claim 60, further comprising the steps of:

limiting the classes of goods and services on which funds in a customer account file may be spent; and

verifying each transfer from said customer account file requested by the third party to determine whether the goods or services to be purchased are authorized.

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64.   The method of claim 63, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

65.   The method of claim 60, further comprising the steps of:

limiting the amount of funds in a customer account file that may be spent on particular classes of goods and services in response to command instructions from the fund depositor; and

verifying each transfer from said customer account file requested by the third party to determine whether the requested funds exceed the limit set for the transferee or for the goods or services to be purchased.

66.   The method of claim 65, wherein said limit is a periodic limit.

67.   The method of claim 60, further comprising the step of storing information on fund transferees and corresponding payment amounts for a customer account.

68.   The method of claim 67, further comprising the step of automatically supplying to the fund depositor said information on fund transferees and corresponding payment amounts.

69.   The method of claim 68, wherein said supplying step is performed periodically.

70.   The method of claim 65, wherein said goods or services comprise books, computer software, food, lodging or entertainment.

71.   The method of claim 60, wherein said step of creating a customer account file comprises the steps of:

creating a primary deposit file containing a record of funds deposited by said depositor for allocation to at least one third party;

creating a secondary deposit file accessible by a third party; and

transferring to said secondary deposit file in response to command instructions from said depositor at least a portion of the funds deposited in said primary deposit file, representing deposited funds by use said third party. - -
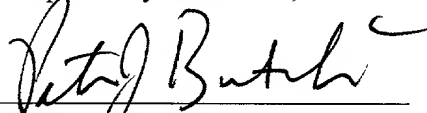
REMARKS

This amendment is respectfully submitted prior to the examination of the above-identified pending U.S. Patent Application. This application is a Divisional of U.S. Patent Application Serial Number 08/876,959 filed June 16, 1997, from which the Examiner restricted certain claimed subject matter.

New claims 29-70 represent subject matter that was restricted from the application and that has been rewritten to more particularly point out and distinctly claim the subject matter that applicant regards as the invention. Favorable consideration and allowance of new claims 29-70 is therefore respectfully requested.

The Examiner is requested to telephone the undersigned in the event that there are any issues that need to be resolved. Finally, the Examiner is authorized to charge applicant's Deposit Account No. **19-5425** for any charges in connection with this Preliminary Amendment.

Respectfully submitted,

Peter J. Butch III
Registration No. 32,203

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THIRD PARTY DEBIT CARD

CROSS-REFERENCE TO RELATED APPLICATION

5   This application is a Continuation-In-Part of U.S. Patent Application Serial No. 08/585,173 filed April 16, 1996, the disclosure of which is incorporated herein by reference thereto.

BACKGROUND OF THE INVENTION

The present invention relates to systems for transferring funds, 10   such as periodic allowance payments, by an account holder from a preestablished account to a third party recipient for the funds designated by the account holder. In particular, the present invention relates to systems for transferring funds in which the account holder is provided with a periodic statement itemizing how the funds are spent by the third party 15   recipient.

ATM and debit card systems have gained wide acceptance as means for performing currency transactions. In addition to providing the ability to withdraw cash from a bank account or a credit card line, it is now possible to pay for a point-of-sale transaction with an electronic funds 20   transfer. The computer networks that support ATM and debit card systems make it possible to design transactions that go beyond the conventional exchange of cash for goods or services.

For example, U.S. Patent No. 5,287,269 discloses a system that uses a card similar to a debit card to control access within a 25   recreational facility such as an amusement park. The card replaces the tickets or tokens conventionally used to control access to amusement rides and arcade games Thus, a parent may provide a child with a pre-paid card encoded with sufficient credit to ensure an enjoyable day of entertainment.

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U.S. Patent No. 5,321,241 discloses a system that uses a card similar to a debit card to track the spending of casino promotional funds by individual gamblers. The purpose of the card is to prevent gamblers from spending promotional funds on food, or even in other casinos, and to ensure

5   that the promotional funds are only spent on gambling within the issuing casino.

U.S. Patent No. 5,350,906 discloses a debit card system in which funds may be electronically transferred by an account holder to a third party recipient by the issuance of a fixed currency limit debit card to

10   the recipient at his or her location. One advantage to this system is that the recipient need not have a preestablished ATM or debit card account with the issuing bank or other institution. The system may be used by parents to issue periodic allowance payments or spending money, for example, to a son or daughter away at college in a distant city.

15   In each of the foregoing systems, however, the funds transferor is not provided with control over how the money is spent by the transferee, or provided with an accounting thereafter. For example, the parent who buys their child the pre-paid card for amusement park access of U.S. Patent No. 5,287,269 has no way of preventing the child from

20   spending the entire card on video games and cotton candy, or of even knowing later whether this has happened.

The casino issuing the card of U.S. Patent No. 5,321,241 may be willing to allow a portion of the funds to be spent on food or lodging if a limit could be established, and if it could later know how much money was

25   actually spent on gambling. It would also be useful for the casino to know how the money was actually gambled for purposes of including a gambler on more specific future promotions, such as a slot machine promotion or a black jack promotion.

A parent issuing the fixed currency limit debit card of U.S. Patent No. 5,350,906 to a son or daughter away at college has no way to ensure that most of the funds are spent at the college bookstore and not withdrawn as cash or spent on rounds of drinks at the local pub. There is no way for the parent to know how the money was actually spent.

A need exists for a system in which an account holder may electronically transfer funds from a preestablished account to a third party recipient with limits set on how the money may be spent and then receive a subsequent accounting of how the money was actually spent

SUMMARY OF THE INVENTION

This need is met by the present invention. It is an object of the present invention to provide a system and a computer-based method in which account holders may transfer funds from preestablished accounts to third party recipients and then receive an itemized statement of how the recipients spent the funds.

Another object of the invention is to provide a system and a computer-based method in which account holders may transfer funds from preestablished accounts to third party recipients and set limits on the goods or services for which the funds are spent, or on the amounts which may be spent for certain goods or services.

Therefore, according to one aspect of the present invention, a system is provided for use in transferring funds from preestablished accounts by account holders to third party recipients, including:

controller processor for processing data according to command instructions and for creating customer account files, the controller processor having a data storage device associated therewith for storing file records of the amounts of funds deposited by the account holders in the preestablished accounts, each file containing a primary file into which the amount of funds deposited is recorded, and a secondary file into which at

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least a portion of the amount of the deposited funds may be transferred and recorded by the controller processor in response to command instructions issued by the account holder, wherein the amount of the funds transferred to the secondary file may be electronically transferred by the controller

5   processor to payees selected by the third party recipients in response to command instructions issued by the third party recipients, and wherein the system further includes a data storage device associated with the controller processor for storing file records of information on each selected payee of funds from the secondary file and the corresponding payment amount;

10   at least one input device for supplying to the controller processor command instructions from the account holders and third party recipients; and

            an output device for periodically supplying to each account holder the file record containing information on each selected payee

15   of funds and corresponding payment amounts.

         Preferred systems in accordance with this aspect of the present invention also permit account holders to exclude certain fund transfer payees designated individually or by the type of establishment, or to establish periodic transaction limits by the single transaction, day, week, month or so

20   forth. In the preferred systems, the controller processor is adapted to process command instructions from the account holder to store in the data storage device associated therewith information on electronic fund transfer payees subject to periodic limits on the amount of funds that may be transferred, and to inquire into each electronic fund transfer command

25   instruction issued by the third party recipient to determine whether the payee is subject to a transaction limit below the transfer amount requested, with the controller processor being adapted to complete the electronic fund transfer when the payee is not subject to a transaction limit below the

amount requested, and to discontinue the electronic fund transfer when the payee is subject to a transaction limit below the amount requested.

The system of the present invention contemplates that the third party recipients designated by account holders will be issued magnetic cards to access the funds that have been set aside on their behalf. The recipients can then withdraw the funds as cash from ATM machines, or pay for point-of-sale purchases of goods and services by electronic fund transfer. At the same time, the account holder may limit how much of the funds that have been set aside may be withdrawn as cash, or even block this entirely, with the set-aside funds only being accessible by electronic funds transfer.

Accordingly, preferred systems in accordance with the present invention will further include a magnetic card encoded with an identifier correlated to the secondary file of the preestablished account and issued to the third party recipient. When the magnetic card is issued to the son or daughter of an account holder to access funds set aside as an allowance payment, the card, in effect, becomes an allowance card. Under such circumstances, the account holder may arrange for the transfer of funds weekly or monthly from the primary file of the preestablished account to the secondary file as a form of an allowance payment.

Thus, parents making allowance payments to a son or a daughter using the system of the present invention may limit the amount of the payment that may be withdrawn from ATM machines as cash. And, because banking and credit card institutions have already created an identification system with electronic fund transfer networks categorizing payees by the types of goods or services they provide, limits can be placed on the amount that is spent in restaurants daily, weekly or monthly using a debit card, and spending in pubs or taverns could be prohibited entirely. When ATM cash withdrawals are also blocked, spending of an allowance budget on alcohol or tobacco may be effectively blocked by a parent. At the

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same time, unlimited spending could be permitted, for example, at computer software stores, or at a college book store.

Similarly, a casino issuing promotional funds using the system of the present invention may limit the amount of funds that are spent on food, lodging or particular games of chance. At the same time, unlimited spending on, for example, slot machines, could be permitted.

But the primary advantage of the present invention is that an itemized statement is issued to the account holder periodically, i.e., weekly or monthly, providing an accounting of how the set aside funds were spent. In the situation of a parent making an allowance payment, a statement would be sent, similar to a bank or credit card statement, listing ATM cash withdrawals, as well as electronic fund transfer payees. A precise accounting would be provided of how much of each allowance payment was withdrawn as cash, how much was spent in identified restaurants, and how much was spent on school supplies.

Nevertheless, the present invention also includes systems in which such an accounting is not provided, with the primary advantage being the ability to limit electronic fund transfer payments to certain payees. According to this aspect of the present invention, a system is provided for use in transferring funds from preestablished accounts by account holders to third party recipients, including:

controller processor for processing data according to command instructions and for creating customer account files, the controller processor having a data storage device associated therewith for storing file records of the amounts of funds deposited by the account holders in the preestablished accounts, each file containing a primary file into which the amount of funds deposited is recorded, and a secondary file into which at least a portion of the amount of the deposited funds may be transferred and recorded by the controller processor in response to command instructions

issued by the account holder, wherein the amount of the funds transferred to the secondary file may be electronically transferred by the controller processor to payees selected by the third party recipients in response to command instructions issued by the third party recipients, and wherein the system further includes a data storage device associated with the controller processor for storing file records of information on each selected payee of funds from the secondary file and the corresponding payment amount and wherein the controller processor is adapted to process command instructions from the account holder to store in the data storage device associated therewith information on electronic fund transfer payees subject to periodic limits on the amount of funds that may be transferred; and

at least one input device for supplying to the controller processor command instructions from the account holders and third party recipients;

wherein the controller processor is adapted to inquire into each electronic fund transfer command instruction issued by the third party recipient to determine whether the payee is subject to a transaction limit below the transfer amount requested, to complete the electronic fund transfer when the payee is not subject to a transaction limit below the amount requested, and to discontinue the electronic fund transfer when the payee is subject to a transaction limit below the amount requested.

The present invention also includes systems in which the account holder is also essentially the "bank," such as, for example, when a casino issues promotional funds to a gambler but restricts how such funds may be used. According to this aspect of the present invention, a system is provided for providing promotional funds for use by customers, including:

controller processor for processing data according to command instructions and for creating customer account files, the controller processor having a data storage device associated therewith for storing file

records of the amounts of funds issued to customers, wherein the promotional funds may be electronically transferred by the controller processor to payees selected by the customers in response to command instructions issued by the customers, and wherein the system further includes a data storage device associated with the controller processor for storing file records of information on each selected payee of funds and the corresponding payment amount and wherein the controller processor is adapted to process command instructions to store in the data storage device associated therewith information for each customer on electronic fund transfer payees subject to periodic limits on the amount of funds that may be transferred; and

at least one input devices for supplying to the controller processor command instructions from customers;

wherein the controller processor is adapted to inquire into each electronic fund transfer command instruction issued by customers to determine whether the payee is subject to a transaction limit below the transfer amount requested, to complete the electronic fund transfer when the payee is not subject to a transaction limit below the amount requested, and to discontinue the electronic fund transfer when the payee is subject to a transaction limit below the amount requested.

In the example of the casino given above, payees selected by customers may include a casino restaurant, hotel, souvenir shop, slot machine, black jack table, and the like. The system of the present invention permits a casino to retain control over how promotional funds given to a customer are allocated and spent.

According to another aspect of the present invention, computer-based methods for operating the systems of the present invention are provided. Methods in accordance with this aspect of the present invention include the steps of:

creating a customer account file including a primary file containing a record of funds deposited by an account holder;

establishing a secondary file in the customer account file in response to command instructions from the account holder;

designating a third party recipient permitted access to the secondary file in response to command instructions from the account holder;

transferring to the secondary file in response to command instructions from the account holder at least a portion of the record of funds contained in the primary file representing deposited funds accessible to the third party recipient;

storing a file record of information on every electronic fund transfer executed by the third party recipient from the secondary file, including information on the transfer payee and the corresponding payment amount; and

providing periodically to the account holder an itemized statement generated from the file record of executed electronic fund transfers from the secondary file.

Preferred methods according to this embodiment of the invention provide for the establishment of limits in the amounts of transactions. Such preferred methods further include the steps of designating in response to command instructions from the account holder, payees of funds to be withdrawn by third party recipient subject to a limit on the amount of funds that may be withdrawn, and verifying each withdrawal from the secondary file requested by the third party recipient to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded. The method will further include the step sending a disapproval signal if there is a limit that is exceeded, and may

optionally include the step of sending an approval signal if there is no limit, or if there is a limit that has not been exceeded.

This aspect of the present invention also includes methods which provide for the establishment of limits in the amounts of transactions without generating an itemized statement to the account holder of withdrawals by the third party recipient. Methods according to this embodiment of the invention include the steps of:

creating a customer account file including a primary file containing a record of funds deposited by an account holder;

establishing a secondary file in the customer account file in response to command instructions from the account holder;

designating a third party recipient permitted access to the secondary file in response to command instructions from the account holder;

transferring to the secondary file in response to command instructions from the account holder at least a portion of the record of funds contained in the primary file representing deposited funds accessible to the third party recipient;

designating in response to command instructions from the account holder, payees of funds to be withdrawn by third party recipient subject to a limit on the amount of funds that may be withdrawn; and

verifying each withdrawal from the secondary file requested by the third party recipient to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded.

This method will also further include the step sending a disapproval signal if there is a limit that is exceeded, and may optionally include the step of sending an approval signal if there is no limit, or if there is a limit that has not been exceeded.

This aspect of the present invention will also include computer-based methods in which the account holder essentially functions as a "bank." Methods in accordance with this aspect of the present invention will include the steps of:

5   providing a customer account file containing a record of funds issued to customers;

designating payees of funds to be withdrawn by customers subject to a limit on the amount of funds that may be withdrawn; and

10   verifying each withdrawal from the customer account file requested by customers to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded.

This method will also further include the step sending a disapproval signal if there is a limit that is exceeded, and may optionally

15 include the step of sending an approval signal if there is no limit, or if there is a limit that has not been exceeded.

The system of the present invention is not limited to preestablished currency accounts at banking institutions, but also includes credit accounts, within which the account holders may establish a sub-line of

20 credit that may be drawn against by a third party recipient. Thus, for purposes of the present invention, the term "funds" is defined as including credit lines extended to account holders and third party recipients, as well as currency deposited by account holders, The account holder may require the third party recipient to repay the drawn credit, and the account may thus be

25 employed to control a young person's use of credit, but at the same time teach them how to use the credit responsibly.

The system of the present invention thus provides a tool for a wage earner to provide spending money to a dependent, and at the same time teach the dependent how to budget their money and manage cash flow,

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while maintaining some control over how the money is spent. Initially, the limits on the types of purchases may be employed as guidance with respect to the appropriateness of purchases, and to discipline the dependent to control their spending habits.

5   .   Other features of the present invention will be pointed out in the following description and claims, which disclose the principles of the present invention and the best modes which are presently contemplated for carrying them out.

BRIEF DESCRIPTION OF THE DRAWINGS

10   FIG. 1 is a block diagram of the representative system hardware of the present invention; and

FIG. 2 is a flow chart showing the operation of the system of the present invention.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

15   Referring now to the drawings, and initially FIG. 1, the system of the present invention is comprised of a computer processor 12, herein referred to as a controller processor, coupled to a data storage device 14 such as a memory device and in communication through phone line 15 with at least one input device 16 through which fund transfer command

20   instructions are received and through phone line 17 with at least one output device 18 through which electronic fund transfers are executed. The embodiment depicted in FIG. 1 also includes output device 20 for generating a file record containing information on electronic fund transfer payees, which is described in greater detail hereinafter.

25   The system may be a local, entirely self-contained internal network of input and output devices under the absolute control of the system operator, as would be the case when the system is employed by a casino or an amusement park. Alternatively, the system may be in communication

with an external network of input and output devices, such as a banking, credit or ATM network.

The controller processor of the present invention can be essentially any mainframe computer processor or plurality of processors, or any computer workstation capable of interfacing with the network to be employed and executing the volume of command instructions supplied by the network. The control programs to be run by the controller processor for operating the system of the present invention are essentially conventional, once the objectives of the present invention are described.

The data storage devices associated with the controller processor can be essentially any conventional memory storage device, typically a semi-conductor memory in combination with a hard disk drive or a CD-ROM drive with a compact disk. The memory device is employed to store information on the preestablished accounts from which account holders transfer funds to third party recipients. It will be assumed for purposes of the present invention that the system operators have methods of establishing accounts and placing money or establishing credit lines within these accounts and that proper accounting procedures are in place to track the various transactions, all of which are standard in the industry and well known to those skilled in the art.

For local self-contained systems, the controller processor is in communication with the internal network of input and output devices through cables or telecommunication lines. When the system is in communication with an external network, telecommunication lines are nearly exclusively employed.

Essentially any input device capable of supplying command instructions to the controller processor from account holders and third party recipients is suitable for use as an input device for the present invention. For purposes of the present invention, command instructions will be

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considered to be issued by an account holder or a third party recipient if the instructions are issued by another individual on their behalf. For example, a bank employee may issue command instructions requested by an account holder to transfer funds for access by the third party recipient. A store

5   employee may issue command instructions requested by the third party recipient to obtain an electronic fund transfer to pay for goods and services in a point-of-sale purchase.

External banking, credit and ATM networks have already been established using as combination input/output devices stations that employ

10   magnetic card readers in combination with manual input devices such as keypads, touch screens and the like, through which information required for the transaction may be entered, such as the transaction amount, account password, and so forth. One example of such a station is an ATM. Another example is the magnetic card reader/keypad employed for point-of-

15   sale transactions to obtain bank approval of credit card and debit card transactions. Such stations also serve as output devices for the systems that they serve. The ATM is adapted to deliver cash, print a receipt and relay messages from the network processor via a CRT. The magnetic card reader relays messages from the network processor via an LCD, and is also

20   adapted to print a receipt. When the system of the present invention is adapted to communicate with such an external network, the fund transfer command instructions may be issued by the third party recipients through such input devices, which will also function as output devices for the system, delivering cash, relaying messages from the controller processor

25   and printing receipts..

Otherwise, essentially any conventional manual input device may be employed, particularly with local, internally self-contained systems in accordance with the present invention. Such devices include keypads,

touch screens, mouse and cursor systems, and the like. It is not essential that magnetically encoded cards and magnetic card readers be employed.

Likewise, any device capable of relaying messages from the controller processor to the account holder or third party recipient is also

5   suitable for use as an output device with systems of the present invention. Examples of devices include CRT's, LCD's, printers, and the like. In the simplest of local, internally self-contained systems, the machine vending of cash and printing of receipts is not contemplated. Instead, an employee of the system operator would attend to such tasks, receiving prompts from the

10   controller processor through an output display device.

A particular advantage of the present invention is that the account holder is provided with a periodic accounting of how the third party recipient of funds has spent the money accessible to them This would be in the form of a statement issued daily, weekly, monthly, and the like,

15   detailing cash withdrawals and debit card transfers. This is also performed by essentially routine simple means ranging from e-mail to desktop publishing, or as complex as the systems employed by banking and credit institution for generating periodic statements for conventional accounts. Such means are very well known and require no description here.

20   As noted above, it is not necessary that the system of the present invention employ magnetically encoded cards to provide system access to account holders and third party recipients. Instead, access to the system may be obtained through the entry of the requisite information by way of a manual input device, such as a keyboard, that is in communication

25   with the system. The information may be entered directly by the account holder or third party recipient, or on their behalf by an employee of the system operator or fund transfer payee.

However, the use of magnetic cards encoded with account information is particularly preferred for the sake of convenience. The cards

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also eliminate the need for the system operator to hire employees to receive and enter information that would be submitted directly to the system by the account holder or third party recipient. In other words, it is more economical for a bank to permit a third party recipient to access cash via an

5   ATM, rather that require the recipient to present themselves to a bank teller. Magnetic cards issued to third party recipients will be encoded with an identifier correlated to the secondary file of the preestablished account. The encoding of information fields on the magnetic stripe of a magnetic card is well known and essentially conventional and also need not be described

10   here.

         Turning now to FIG.2, there is illustrated in block diagram form the computer-based method of the present invention, that shall be discussed with reference to the system depicted in FIG.1. Typically, the computer processor 12 creates in memory device 14 associated therewith

15   customer account file 30 containing a record of funds deposited by the account holder. The account holder inputs command instructions 32 input device 16, typically a computer terminal or work station, which are transmitted by telephone lines 15 to computer processor 12 to establish a secondary file in the customer account. The account customer then inputs

20   command instructions 34, usually contemporaneously with the establishment of the secondary file using the same input device, to designate a third party recipient permitted access to the secondary file. Alternatively, the third party recipient can be designated at a later time from the same or different input device.

25   The account customer then inputs command instructions 36 to transfer to the secondary file at least a portion of the record of funds contained in the primary file representing deposited funds accessible to the third party recipient. Again, this is usually done contemporaneously with the establishment of the secondary file and the designation of a third party

recipient using the same input device. However, this step can also be performed at a later time from the same or different input device.

In the embodiment illustrated in FIG. 2, the account customer inputs command instructions 38 to designate payees of funds to be withdrawn by the third party recipient subject to a limit on the amount of funds that may be withdrawn. Again, this may be done contemporaneously with the establishment of the secondary file, the designation of the third party recipient and the transfer of funds from the primary file using the same input device, or this step may be performed at a different time using the same or different input device.

The computer processor 12 then verifies each withdrawal from the secondary file requested by the third party recipient 40 to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded. At the same time, the computer processor verifies that there are funds available in the secondary file to complete the transaction (not shown). The computer processor 12 sends a disapproval signal 42 if there is a transaction limit that has been exceeded, or an approval signal 44 if there is no transaction limit or if there is a transaction limit that has not been exceeded, along telephone lines 17 to output device 18. The approval or disapproval signal is also conditioned on the availability of funds in the secondary file (not shown). Typically output device 18 is part of a computer terminal or workstation that also includes an input device (not shown) through which third party recipients input electronic fund transfer requests.

The computer processor 12 also stores in memory device 14 associated therewith a file record of information 46 on each selected payee of funds and corresponding payment amounts. Periodically, the computer processor 12 provides to the account holder 48 the file record of information on fund payees and corresponding payment amounts in the form of an

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itemized statement generated by output device 20, typically a high volume printer.

To illustrate the inventive concept, the system of the present invention and the computer-based method by which it is implemented will be described with reference to a banking institution. The invention, however, is not limited to such applications, and those of ordinary skill in the art will understand how this concept can be extended to other end uses in which a business customer wants to extend spending credit to a third party, but control how the credit is spent and receive an itemized statement of the spending. Furthermore, while the system and method are being described with reference to a banking institution, it will also be understood by those of ordinary skill in the art that the system and method of the present invention may be employed equally as well with similar accounts offered by credit unions, stock brokerages, lending institutions and insurance companies.

In particular, an account holder preestablishes an account with a bank, into which he deposits funds, at least a portion of which are to be set aside for a third party recipient. The data processing system of the bank stores the account information, as well as the information on the funds deposited in the memory of the system. The data processing system is programmed to set up the account with a primary file into which the funds are initially deposited, and the capability to create one or more secondary files into which all or some of the deposited funds may be transferred for access by a third party recipient.

At any time thereafter, the account holder may issue command instructions to the data processing system to create a secondary file. More than one secondary file may be created, if the account holder wants to designate more than one fund recipient. The command instruction may be issued by the account holder, or by a bank employee on behalf of the account holder, from a computer terminal at a bank branch. Alternatively,

if the bank is equipped to allow customers to bank at home using their home personal computer, then this transaction can be handled in this manner as well. As another alternative, the bank can program its ATM machines to serve as data input devices for this function as well.

The account customer provides the bank data processing system, which serves as the controller processor of the system of the present invention, with identifying information on the third party recipient for use in allowing the recipient access to the secondary file established on their behalf. The amount of funds to be transferred is also specified. The transfer can be established as a one time only event, or it can be programmed to occur periodically, i.e., daily, weekly, monthly, and the like. The periodic transfer can be programmed to occur automatically, or it can be programmed to occur only upon entry of a command instruction by the account holder. When periodic transfers are programmed, it will eventually be necessary for the account holder either to stop the transfers when the funds in the primary file of the account are depleted, or to replenish the funds in the primary file with additional deposits.

In a preferred embodiment of the invention, the account customer may, at the time a secondary file is created, or at any time thereafter, issue command instructions programming the data processing system to place limits on the amount of cash withdrawals or debit card purchases by the third party recipient. The account holder may set for the third party recipient, for example, a daily, weekly or monthly limit on the amount of cash withdrawals and/or debit card transactions. The account holder may want to block cash withdrawals entirely and only permit the third party recipient to withdraw funds from the secondary file through debit card transactions to obtain a more detailed accounting of how the money was spent. To block cash withdrawals, the account holder would specify $0 as the transaction limit for this type of transaction.

The account holder may also limit the amount of debit card transactions for specific classes of goods and services. Banking and credit card institutions have already encoded merchants and service providers with this information for billing purposes, so that it would not be difficult to

5   similarly encode an approval request in a debit card point-of-sale transaction. Thus, an account holder may specify a limit on the amount of debit card transactions in bars and restaurants, for example. An absolute limit of $0 may be set, or the limit may be a daily, weekly or monthly dollar amount. The data processing system would then be programmed to evaluate

10   each requested transaction to determine if a limit has been set, and whether the requested transaction exceeds any set limit. If there is no limit, or if the limit is not exceeded, an approval signal is sent to the merchant or service provider. If a limit exists that is exceeded, a signal is sent disapproving the transaction.

15   The data processing system is also programmed to evaluate the transaction request for fund availability, and to debit the secondary file after each transaction is executed. Subsequent transactions are then evaluated against the lowered account balance.

            A magnetic card encoded with an identifier correlated to the

20   secondary file is then issued. The encoding of magnetic cards is essentially conventional and will not be described in detail here. The card may be issued to the account holder for delivery to the third party recipient, or it may be issued directly to the third party recipient.

            The third party recipient then uses the card like any other

25   ATM or debit card to obtain cash from ATM machines, unless this feature has been blocked, and to obtain goods and services from merchants and service providers. And like any other ATM or debit card transaction, each requested transaction is submitted to the bank's data processing system for approval. However, with the system of the present invention, the

transaction is evaluated for possible limits on the amount of the specific transaction, and an approval or disapproval signal is sent accordingly.

The account holder is provided with a summary of the ATM and debit card withdrawals made by the third party recipient as part of his or her monthly bank statement. The merchant or service provider is identified for each debit card transaction, in addition to the date and the amount of each transaction.

To illustrate another embodiment of the inventive concept, the system of the present invention and the computer-based method by which it is implemented will be described with reference to a casino issuing promotional funds to a gambling customer. The casino management preestablishes a customer account file, into which promotional funds are deposited. The data processing system of the casino stores the account information, as well as information on the promotional funds deposited in the memory of the system.

The casino management at this time, or at any time thereafter, issues command instructions programming the data processing system to allocate the amount of promotional funds that may be spent on particular classes of goods and services for each customer account file, which may be tailored to an individual customer's spending preferences. The allocation may also be designed to complement other casino promotions. Funds may be allocated for spending on food, lodging, entertainment, gaming, and the like. Within the amount of funds that are allocated for gaming, separate limits may be set for types of games, such as slot machines, black jack, and the like. Likewise, within the amount of funds that are allocated for food, separate limits may be set for meals and alcoholic beverages.

The casino data processing system is then programmed to evaluate each requested customer transaction to determine if available funds are allocated. If funds are available an approval signal is sent. If not a

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signal is sent disapproving the transaction. The system is also programmed to debit the allocated funds upon execution of each approved transaction, so that subsequent evaluations are made against a new, lower allocation.

A magnetic card encoded with an identifier correlated to the customer account file is then issued to the gambling customer. Card readers are positioned throughout the casino at locations providing goods and services for which funds are allocated, such as restaurants, bars, theaters, gift and retail shops, hotel registration desks, slot machines, gaming tables, and the like. The customer uses the card like any other debit card to purchase goods and services from the casino using the allocated funds.

The computer-based methods of the present invention do not require special or unique computer programming for operation. Instead, the system features described above can be programmed following conventional techniques by individuals of ordinary skill.

The system of the present invention is also extremely versatile because of its ready adaptability to existing banking networks. Such networks make it possible to set aside funds in a distant city for a third party recipient without regard for whether the bank of the account holder has branches in that city.

As will be readily appreciated, numerous variations and combinations of the features set forth above can be utilized without departing from the present invention as set forth in the claims. Such variations are not regarded as a departure from the spirit and scope of the invention, and all such variations are intended to be included within the scope of the following claims.

WHAT IS CLAIMED IS:

1.   A system for use by account holders in transferring funds from preestablished accounts to third party recipients, comprising:

controller processor for processing data according to
5   command instructions and for creating customer account files, said controller processor having a data storage device associated therewith for storing file records of the amounts of funds deposited by said account holders in said preestablished accounts, each file containing a primary file into which the amount of funds deposited is recorded, and a secondary file
10   into which at least a portion of the amount of the deposited funds may be transferred and recorded by said controller processor in response to command instructions issued by said account holder, wherein the amount of the funds recorded in said secondary file may be electronically transferred by the controller processor to payees selected by said third party recipients
15   in response to command instructions issued by said third party recipients, and wherein said system further includes a data storage device associated with said controller processor for storing file records of information on each selected payee of funds from said secondary file and the corresponding payment amount;
20   at least one input device for supplying to said controller processor command instructions from said account holders and said third party recipients; and

an output device for periodically supplying to each account holder said file record containing information on each selected
25   payee of funds and corresponding payment amounts.

2.   The system of claim 1, wherein said third party command instructions include a command instruction for a cash withdrawal payment to be electronically transferred to said third party.

3.   The system of claim 2, wherein the input device for said cash withdrawal payment command instruction is an ATM machine to which said cash withdrawal payment is electronically transferred and issued.

4.   The system of claim 1, wherein said payee selected by said third party recipient is a merchant or service provider providing goods or services to said third party recipient, and said third party command instructions include a command instruction for an electronic funds transfer to said payee to pay for said goods or services.

5.   The system of claim 4, wherein the input device for said third party command instruction is a point-of-sale transaction device including a magnetic card reader.

6.   The system of claim 1, wherein said controller processor is adapted to process command instructions from said account holder to store in said data storage device associated therewith information on electronic fund transfer payees subject to periodic limits on the amount of funds that may be transferred, to inquire into each electronic fund transfer command instruction issued by said third party recipient to determine whether the payee is subject to a transaction limit below the transfer amount requested, to complete the electronic fund transfer when the payee is not subject to a transaction limit below the amount requested, and to discontinue the electronic fund transfer when the payee is subject to a transaction limit below the amount requested.

7.   The system of claim 6, wherein said electronic fund transfer payees that may be subjected to periodic limits include said third party recipient.

8.   The system of claim 1, further comprising a magnetic card encoded with an identifier correlated to said secondary file of said preestablished account.

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9.   A system for use by account holders in transferring funds from preestablished accounts to third party recipients, comprising:

controller processor for processing data according to command instructions and for creating customer account files, said

5 controller processor having a data storage device associated therewith for storing file records of the amounts of funds deposited by said account holders in said preestablished accounts, each file containing a primary file into which the amount of funds deposited is recorded, and a secondary file into which at least a portion of the amount of the deposited funds may be

10 transferred and recorded by said controller processor in response to command instructions issued by said account holder, wherein the amount of the funds recorded in said secondary file may be electronically transferred by said controller processor to payees selected by said third party recipients in response to command instructions issued by said third party recipients,

15 and wherein said system further includes a data storage device associated with said controller processor for storing file records of information on each selected payee of funds from said secondary file and the corresponding payment amount and wherein said controller processor is adapted to process command instructions from said account holder to store in said data storage

20 device associated therewith information on electronic fund transfer payees subject to periodic limits on the amount of funds that may be transferred; and

at least one input device for supplying to said controller processor command instructions from said account holders and third party

25 recipients;

wherein said controller processor is adapted to inquire into each electronic fund transfer command instruction issued by said third party recipient to determine whether said payee is subject to a transaction limit below the transfer amount requested, to complete said electronic fund

transfer when said payee is not subject to a transaction limit below the amount requested, and to discontinue said electronic fund transfer when said payee is subject to a transaction limit below the amount requested.

10. The system of claim 9, wherein said third party command instructions include a command instruction for a cash withdrawal payment to be electronically transferred to said third party.

11. The system of claim 10, wherein the input device for said cash withdrawal payment command instruction is an ATM machine to which said cash withdrawal payment is electronically transferred and issued.

12. The system of claim 9, wherein said payee selected by said third party recipient is a merchant or service provider providing goods or services to said third party recipient, and said third party command instructions include a command instruction for an electronic funds transfer to said payee to pay for said goods or services.

13. The system of claim 12, wherein the input device for said third party command instruction is a point-of-sale transaction device including a magnetic card reader.

14. The system of claim 9, wherein said electronic fund transfer payees that may be subjected to periodic limits include said third party recipient.

15. The system of claim 9, further comprising a magnetic card encoded with an identifier correlated to said secondary file of said preestablished account.

16. A system for allocating promotional funds in preestablished accounts for use by customers, comprising:

controller processor for processing data according to command instructions and for creating customer account files, said controller processor having a data storage device associated therewith for storing file records of the amounts of funds issued to said customers,

wherein said promotional funds may be electronically transferred by said controller processor to payees selected by said customers in response to command instructions issued by said customers, and wherein said system further includes a data storage device associated with said controller

5 processor for storing file records of information on each selected payee of funds and the corresponding payment amount and wherein said controller processor is adapted to process command instructions to store in said data storage device associated therewith information for each customer on electronic fund transfer payees subject to periodic limits on the amount of

10 funds that may be transferred; and

at least one input devices for supplying to said controller processor command instructions from customers;

wherein said controller processor is adapted to inquire into each electronic fund transfer command instruction issued by said

15 customers to determine whether said payee is subject to a transaction limit below the transfer amount requested, to complete said electronic fund transfer when said payee is not subject to a transaction limit below the amount requested, and to discontinue said electronic fund transfer when said payee is subject to a transaction limit below the amount requested.

20   17.   A computer-based method for use by account holders in transferring funds from preestablished accounts to third party recipients, comprising:

creating a customer account file including a primary file containing a record of funds deposited by said account holder;

25   establishing a secondary file in said customer account file in response to command instructions from said account holder;

designating a third party recipient permitted access to said secondary file in response to command instructions from said account holder;

transferring to said secondary file in response to command instructions from said account holder at least a portion of the record of funds contained in said primary file representing deposited funds accessible to said third party recipient;

5   storing a file record of information on every electronic fund transfer executed by said third party recipient from said secondary file, including information on the transfer payee and the corresponding payment amount; and

providing periodically to said account holder an

10   itemized statement generated from said file record of executed electronic fund transfers from said secondary file.

18.   The method of claim 17, further including the steps of:

designating in response to command instructions from said account holder, payees of funds to be withdrawn by said third party

15   recipient subject to a limit on the amount of funds that may be withdrawn: and

verifying each withdrawal from said secondary file requested by said third party recipient to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been

20   exceeded.

19.   The method of claim 18, further including the step of sending a disapproval signal if there is a transaction limit that is exceeded.

20.   The method of claim 18, further including the step of sending an approval signal if there is no transaction limit, or if there is a

25   transaction limit that has not been exceeded.

21.   The method of claim 18, wherein said payees subject limits on amounts of funds that may be withdrawn include said third party recipient.

22.   The method of claim 18, wherein said limit is a periodic limit.

23.   A computer-based method for use by account holders in transferring funds from preestablished accounts to third party recipients, comprising:

creating a customer account file including a primary file containing a record of funds deposited by said account holder;

establishing a secondary file in said customer account file in response to command instructions from said account holder;

designating a third party recipient permitted access to said secondary file in response to command instructions from said account holder;

transferring to said secondary file in response to command instructions from said account holder at least a portion of the record of funds contained in said primary file representing deposited funds accessible to said third party recipient;

designating in response to command instructions from said account holder, payees of funds to be withdrawn by said third party recipient subject to a limit on the amount of funds that may be withdrawn; and

verifying each withdrawal from said secondary file requested by said third party recipient to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded.

24.   The method of claim 23, further including the step of sending a disapproval signal if there is a transaction limit that is exceeded.

25.   The method of claim 23, further including the step of sending an approval signal if there is no transaction limit, or if there is a transaction limit that has not been exceeded.

26. The method of claim 23, wherein said payees subject limits on amounts of funds that may be withdrawn include said third party recipient.

27. The method of claim 23, wherein said limit is a periodic limit.

28. A computer-based method for allocating promotional funds in preestablished accounts for use by customers, comprising:

providing a customer account file containing a record of funds issued to customers;

designating payees of funds to be withdrawn by said customers subject to a limit on the amount of funds that may be withdrawn; and

verifying each withdrawal from said customer account file requested by said customers to determine whether it is subject to a limit in the amount of the transaction, and whether that limit has been exceeded.

ABSTRACT

A system is described in which an account holder may electronically transfer funds from a preestablished account to a third party recipient and then receive a subsequent accounting of how the money was actually spent. Limits may be set on how the money is spent. Computer-based methods for operating the systems of the present invention are also disclosed.
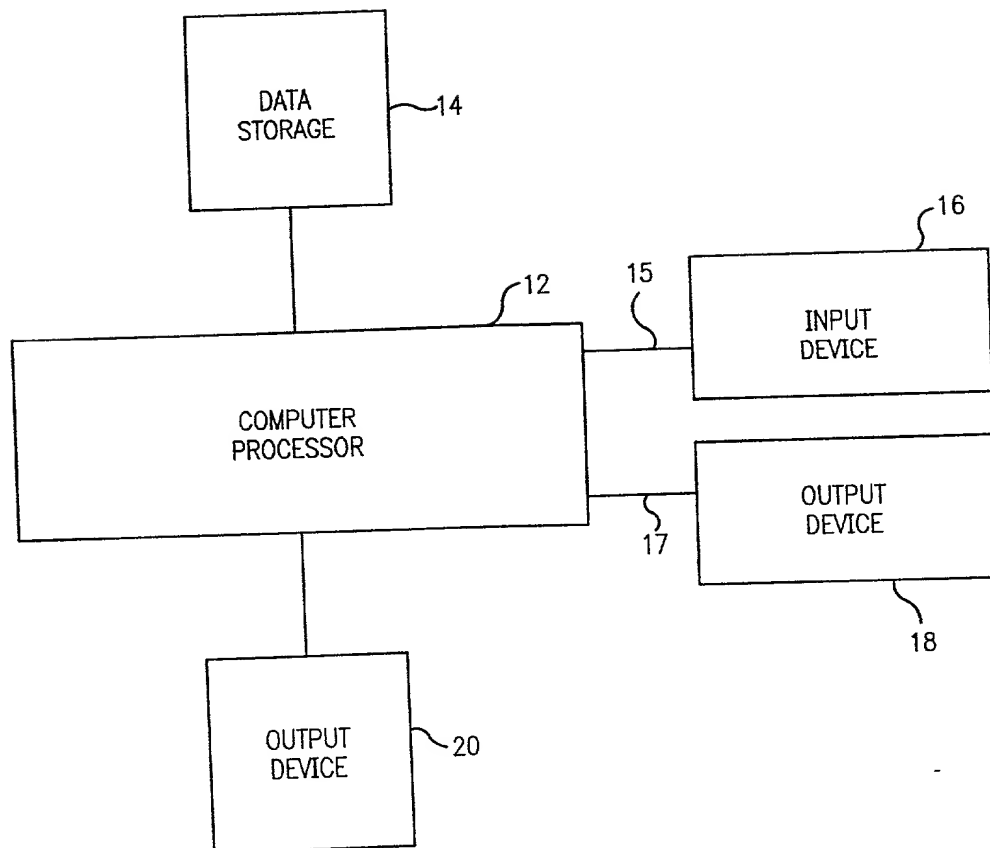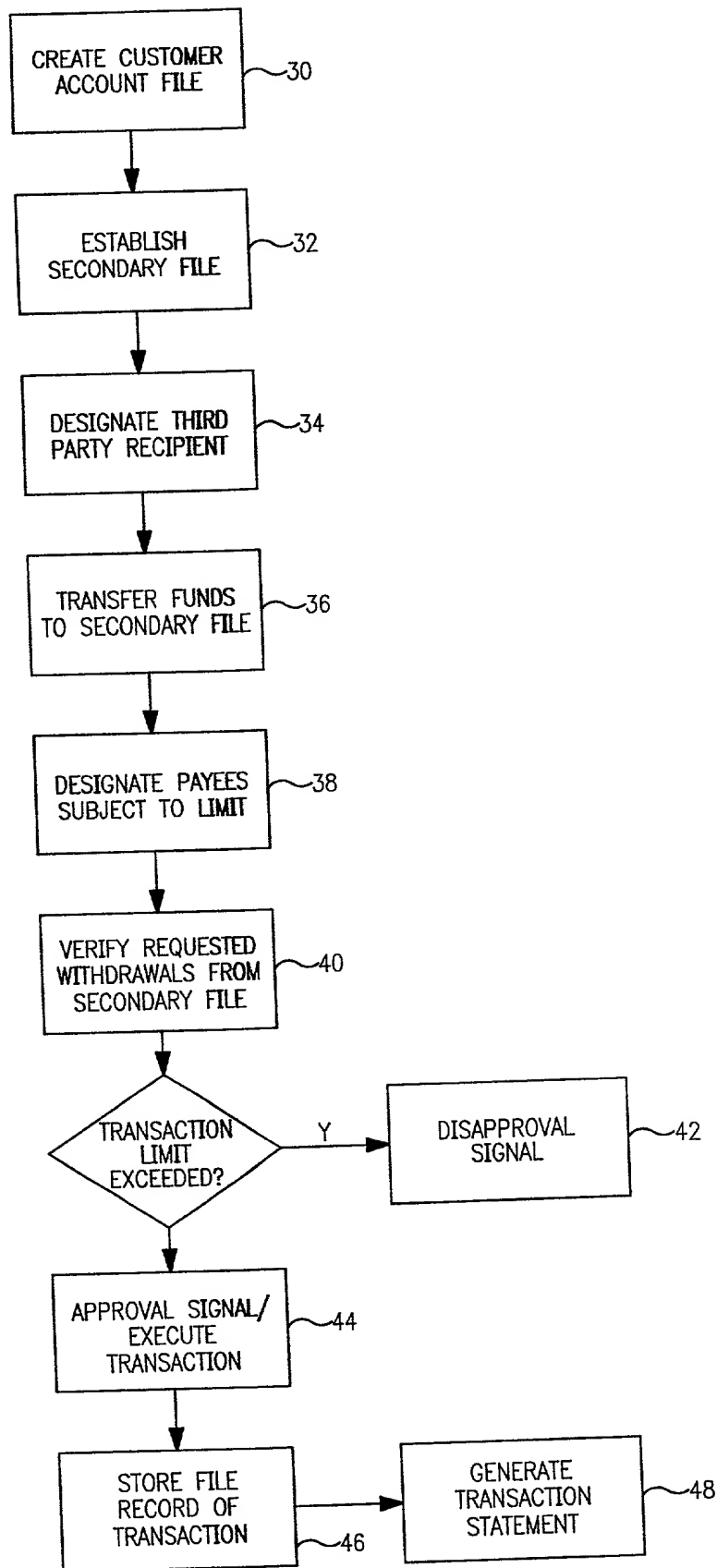
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FIG. 1

CREATE CUSTOMER
ACCOUNT FILE ~30

ESTABLISH
SECONDARY FILE ~32

DESIGNATE THIRD
PARTY RECIPIENT ~34

TRANSFER FUNDS
TO SECONDARY FILE ~36

DESIGNATE PAYEES
SUBJECT TO LIMIT ~38

VERIFY REQUESTED
WITHDRAWALS FROM
SECONDARY FILE ~40

TRANSACTION
LIMIT
EXCEEDED? — Y → DISAPPROVAL
SIGNAL ~42

APPROVAL SIGNAL/
EXECUTE
TRANSACTION ~44

STORE FILE
RECORD OF
TRANSACTION ~46 → GENERATE
TRANSACTION
STATEMENT ~48

FIG. 2

COMBINED DECLARATION AND POWER OF ATTORNEY

As a below-named inventor, I hereby declare that:

My residence, post office address, and citizenship are as stated below next to my name; and

I verily believe that I am the original, first and sole inventor of the subject matter which is claimed and for which a patent is sought on the invention entitled: <u>Third Party Credit</u>, the specification of which is being filed herewith.

I hereby state that I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any Amendment referred to above.

I acknowledge the duty to disclose information which is material to the patentability of this application in accordance with 37 C.F.R. §1.56(a).

I hereby claim foreign priority benefits under 35 U.S.C. §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of any application on which priority is claimed:

None

I hereby claim the benefit under 35 U.S.C. §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of 35 U.S.C. §112, I acknowledge the duty to disclose material information as defined in 37 C.F.R. §1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

Application Serial No.	Filing Date	Status (patented, pending)
08/876,929	June 16, 1997	pending
08/575,173	April 16, 1996	abandoned

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I hereby declare that all statements made herein of my own knowledge are true, and that all statements made on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. §1001 and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

FULL NAME OF INVENTOR FIRST Michael	MIDDLE INITIAL J.	LAST. Picciallo	SIGNATURE *Michael J. Picciallo*
			DATE· 12/20/99

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